

PAYGO Gimmicks
110th Congress

- **College Student Relief Act (H.R. 5)**
 - Includes a “cliff” that masks the true costs of direct spending increases by reverting the temporarily lowered interest rates to current law after the fifth year
- **Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007 (H.R. 6, passed December 6, 2007)**
 - Shifts \$900 million of new spending on New York infrastructure outside of the 10-year window to meet PAYGO requirements
- **Children’s Health Insurance Program Reauthorization Act (H.R. 976)**
 - Masks \$42 billion in spending over the 10-year window by artificially reducing spending on the program in 2012 – causing millions of children to be transferred into the Medicaid program
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
- **Gulf Coast Hurricane Housing Recovery Act (H.R. 1227)**
 - Accelerates spending of existing Housing funds to increase spending by \$456 million in 2008. This will likely lead to a need for increased spending in 2012 and 2013
- **Katrina Housing Tax Relief Act (H.R. 1562)**
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
- **To extend the authorities of the Andean Trade Preference Act (H.R. 1830)**
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
 - Extends customs fees for a short period in 2014 – which will be extended anyway

- **U.S. Troop Readiness, Veterans' Care, Katrina Recovery, & Iraq Accountability Appropriations Act (H.R. 2206)**
 - Paygo does not apply to Appropriations bills, so no offset is required even though it increases entitlement spending
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
- **Farm, Nutrition, and Bioenergy Act (H.R. 2419)**
 - Delays farm and crop insurance payments, and accelerates collection of existing premiums without a real spending effect over the long term, which results in \$4.8 billion in illusory savings
 - Directs the Congressional Budget Office [CBO] to ignore its rules in estimating costs to show an additional \$400 million in savings from provisions aimed at detecting fraudulent payments
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
- **College Cost Reduction and Access Act (H.R. 2669, conference version)**
 - Sunsets certain provisions, including new entitlements, within 5 years, instead of offsetting the full costs of the bill
 - Gradually cuts student interest rates through June of 2012, then reverts back to the original rate to recover the cost within the PAYGO window, masking the full 10-year cost of the bill
- **Terrorism Risk Insurance Revision and Extension Act (H.R. 2761)**
 - Masks the new spending by requiring Congress to pass a second bill if an attack actually occurs. The second bill will be designated as an emergency so that Congress does not have to pay for it.
- **Food and Drug Administration Act (H.R. 2900, H.R. 3580)**
 - Accelerates the approval process for generic drugs, which is scored as savings over the budget window, but in the long term will result in additional costs

- **Tax Collection Responsibility Act of 2007 (H.R. 3056)**
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
- **To extend the trade adjustment assistance program for three months (H.R. 3375)**
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
 - Extends customs fees for a short period in 2014 – which will be extended anyway
- **Mortgage Forgiveness Debt Relief Act of 2007 (H.R. 3648)**
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
- **United States-Peru Trade Promotion Agreement Implementation Act (H.R. 3688)**
 - Increases fees by extending customs user fees through December 13, 2014, increasing offsetting receipts by \$485 million in fiscal year 2015
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
- **Block Burmese JADE Act of 2007 (H.R. 3890)**
 - Extends customs fees for a short period in 2014 – which will be extended anyway
- **Children's Health Insurance Program Reauthorization Act of 2007 (H.R. 3963)**
 - Masks \$42 billion in spending in the overall 10-year cost of the bill by artificially reducing spending on it in 2012 – causing millions of children to be transferred into the Medicaid program
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years

- **Tax Increase Prevention Act of 2007 (H.R.3996)**
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
- **To extend the trade adjustment assistance program for three months (H.R. 4341)**
 - Extends customs fees for a short period in 2014 – which will be extended anyway
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
- **Renewal of import restrictions contained in the Burmese Freedom and Democracy Act (H.J.Res. 44)**
 - Shifts timing of payment of estimated corporate taxes from 2013 to 2012 to artificially cure what would otherwise be an increase in the deficit over five-years
 - Extends customs fees for a short period in 2014 – these fees, though not in the baseline, will be extended when they lapse in that year